

Overview

Introduction

The purpose of this handbook is to advise school districts and county superintendent of schools of non-use payments hereinafter called “the fee” required for district owned properties not being utilized for school purposes and to provide implementation policies regarding the administration of this program.

Administration

The State Allocation Board (SAB) is responsible for the administration of this program. The Office of Public School Construction (OPSC) is staff to the SAB, and responsible for the day to day operation of the program and development of a Statewide unused site list. Any requests for information, or the delivery of all correspondence should be addressed to the following:

Executive Officer
State Allocation Board
501 J Street, Suite 400
Sacramento, CA 95814

ATTN: Suzanne Reese
Unused Site Program
Real Estate Services Team
(916) 323-3871

The Law

The Unused Site Program became Law in 1974 and requires that districts and county superintendent of schools be subject to the fee for district properties that are *not used* for school purposes after specific time periods.

Reporting Requirements

The provisions of this program are governed by the Education Code (EC), Sections 39015 through 39018. In addition, the SAB has adopted regulations set forth in Title 2, Subgroup 10, *California Code of Regulations*, commencing with Sections 1864.1 through 1864.10 which effect the administration of this program. Copies of the law and/or the regulations are available by request to the OPSC.

The OPSC has developed the *Form SAB 423, Certification of Unused Sites*, which is sent to all districts annually to address the status of each districts unused sites. Each district is required to complete and return this form to the OPSC by July 1, of each year. The form is designed to allow the district to certify certain information about a site. ©

Unused Site

Definition

For purposes of EC Sections 39015 et. seq., a site is considered “unused” *unless it meets at least one* of the following exclusions:

- The site is currently used for the specific purposes for which it was acquired. This is deemed to mean use as an active K - 12 school. A district may substitute a site acquired for use at one grade level for use at another grade level.
 - The site is currently used to house students for any California Department of Education program (including Adult Education) authorized by the legislature, and operated by public school districts for which the district is receiving State School Fund apportionments.
 - The site is currently used to house Special Education students.
 - The site is currently used for district administration purposes including such support services as warehousing and maintenance facilities.
 - The site is currently used for preschool or child care centers when operated by or under contract with a public school district or a county superintendent of schools.
 - The site is currently used for a community college if attendance is allowed for high school students who have been recommended by the district, accepted by the college and are in the 11th or 12th grade (or in a lower grade and have received special approval). None of the class work may be used to supplant high school graduation required course work without special approval by both the district and the college. ☺
-

Modification of the Fee

Newly Acquired Sites and Previously Used Sites

All newly acquired sites and previously used sites *are not* subject to the fee until after the following time periods:

TIME PERIODS	
NEWLY ACQUIRED SITE	PREVIOUSLY USED SITE
<ul style="list-style-type: none"> Five years from the date of acquisition for all elementary districts with any grade combinations of K-8. Five years from the date of acquisition for all unified districts with sites designated for K-6 grade use. Seven years from the date of acquisition for all unified and high school districts with sites designated for 7-12 grade use. 	<ul style="list-style-type: none"> Five years from the date last used as an active school or for one of the exclusions outlined in <i>Unused Site, page 2</i>. This applies to all districts, regardless of grade level.

Once the five or seven year time period has expired, the fee will be assessed beginning in the fiscal year following the fiscal year that the time period expires. For example, if the time period expires during the 1996/97 Fiscal Year, the fee will be assessed beginning in the 1998/99 Fiscal Year.

Note: Although these sites will not be assessed during the specific time periods noted above, they must still be reported as unused sites.

Waiver of the Fee

Once an unused site is subject to the fee, there are provisions in the law to waive the fee for the following specific reasons and time periods:

- The district submits documented evidence that the site will be used within a reasonable period of time for one of the exclusions as outlined in *Unused Site, page 2*. A reasonable period of time is generally deemed to be no more than three years unless the SAB determines a longer period of time is justified by the facts. If a waiver of a site is approved by the SAB, the waiver will begin in the fiscal year the waiver is approved. For example, if the SAB approves a waiver in the 1996/97 Fiscal Year, no fee will be required for that year.
- The district may qualify for a one year waiver if a good faith effort has been made to sell the site at fair market value, but no acceptable bid value was received. The waiver of the fee will apply in the fiscal year the waiver is approved by the SAB.

Continued on the next page

**Waiver of the Fee,
continued**

- A one year waiver is automatically granted when the adjusted value of the site is less than \$27,451.00 (this amount is as of the 1996/97 Fiscal Year). This amount is adjusted for inflation each year based on information contained in the EC Section 42238.1.
- A one year waiver is granted if the district is leasing the site for at least $\frac{1}{2}$ of the fiscal year to a tenant who is paying possessory taxes for that year equal to or greater than one percent (1%) of the current estimated value of the site.

Reduction of the Fee

The fee may be reduced for a given fiscal year, if a district utilizes the site for at least $\frac{1}{2}$ of that year for one of the following purposes:

PURPOSE	DESCRIPTION
1	<p>The district or by any governmental agency, pursuant to an agreement with the district, utilizes the site for one of the following purposes:</p> <ul style="list-style-type: none"> • For public school purposes, (see <i>Unused Site, Definition, page 2</i>). • As a civic center used for the purposes outlined in the EC Section 40041. • Community playground. • Playing field. • Outdoor recreational purposes.
2	The SAB, pursuant to an agreement with the district, utilizes the site to store State emergency portable classrooms.
3	The district, or by any public or private agency, pursuant to agreement with the district, utilizes the site to operate a child care program.

Note: Reduction of the fee is based on the acreage or percentage of the site used.

**Reduction of the Fee -
Subsequent Years**

Reduction of the fee may continue in subsequent years (see *Reduction of the Fee, page 4*), if the district certifies to the SAB in a timely fashion that the basis for the reduction continues to exist. Timely fashion, for purposes of the law, shall be no later than July 1, of each year.

**Reduction of the Fee -
Debt Service**

Additionally, the fee may be reduced by the amount of funds the district pays for debt service on local bonds that are used to directly pay for the construction of school facilities either at the local level or through any State aided program. The reduction shall apply to the fee required in the fiscal year the actual debt service payment is made. No carry over or credit in future years is allowed. ☺

Assessment of the Fee

SAB Determination

The SAB makes a determination that a site(s) is subject to the fee on a yearly basis. The SAB certifies to the State Controller the amount to be deducted from the district's State School Fund apportionments.

Calculation of the Fee

The fee is assessed on an annual basis and equal to one percent (1%) of the adjusted value of the site (see *How to Determine the Value of a Site*, page 8).

Deduction of the Fee

The fee is deducted in four equal installments in February, March, April and May in the Fiscal Year following the assessment year; however, no deduction from the apportionment will be made that causes the district to receive less than \$120.00 per pupil of average daily attendance apportionments during the Fiscal Year the apportionments are being withheld. The payments deducted by the Controller are placed into the State School Site Utilization Fund. ☺

Cancellation and/or Refund of the Fee

Conditions

The conditions for cancellation and/or refund of the fee are as follows:

- If a district either sells or begins to use a site for one of the exclusions outlined in the *Unused Site, page 2*, **within** two years from the date the *initial* fee assessment was deducted from the district's school fund apportionment, no fee will be required for the current fiscal year. A refund will be made for the prior fiscal year. No further fees will be assessed.
 - If the site is either sold or used for one of the exclusions outlined in *Unused Site, page 2*, **after** two years from the date the *initial* fee assessment was deducted from the district's apportionments, the fee for the fiscal year will be canceled and no further fees will be assessed. Untimely reporting of the use or sale of sites, would mean the maximum refund for previous withheld fee(s) is limited to the two preceding fiscal year fee assessments. ©
-

How to Determine the Value of a Site

Acquisition Value

For purposes of the unused site program, the acquisition value of a site is determined based on the value of the land and structure(s) at the time of acquisition.

Adjusted Value

Once the acquisition value of the site has been determined, it is modified annually by a factor that reflects the change in assessed value of all lands in the State from the date of purchase to the current date. This amount is called the “adjusted value”. Any improvements including buildings added after acquisition are not to be included in the adjusted value of the site.

Alternative to the Adjusted Value

As an alternative to the adjusted value the district may submit an appraisal of the site by either a qualified independent appraiser or from the county assessor. Should this be the case, the adjusted value will be modified using the above appraisal to determine the adjusted value in subsequent years. This will alleviate the district from submitting an updated appraisal each year to determine subsequent adjusted values.

Gift of Site

If the district acquires a site as a gift or for a nominal amount, the SAB will assign a reasonable amount to the site that reflects the current adjusted value based on other sites located in that area. Should the district believe that the assigned adjusted value is unreasonable, it may challenge this cost by submittal of a current appraisal by either a qualified independent appraiser or from the county assessor. ☺
